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1. Matyas Rakosi's replacement of Hungarian Premier Istvan Dobi may have indicated that Rakosi's differences with Minister of State Gerő were finally settled in favor of Rakosi.<sup>1</sup> It is believed that Gerő's position has not weakened because of his differences with Rakosi concerning practical economic matters, rather than Communist ideology.
2. In exchange for returning 201 unprofitable German assets to Hungary, the Russians will increase their share of the following major industries which are half Soviet-controlled:
  - a. MASZOVLET, civil aviation.
  - b. MASZOLAJ, oil.
  - c. MESZHART, shipping.
  - d. Aluminum and bauxite.
3. Soviet Marshal Voroshilov's speech in May 1952, at the occasion of the seventh anniversary of Hungary's liberation, indicated the failure of the Hungarian collective program. Voroshilov stated, that the USSR was pleased with Hungarian agrarian results to date, but expected still better results in the future because of the contemplated new collectivization plan.

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25X1 l. [redacted] Comment: A different [redacted] holds the same opinion.

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